

CITY OF BISMARCK DEFERRED SICK LEAVE FUND
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2005

| | May-05 | | | | April-05 | | | | March-05 | | | | December-04 | | | | September-04 | | | | Current | Prior Year | 3 Years | 5 Years |
|--------------------------------------|--------------|------------|--------|--------|----------|--------------|------------|--------|----------|--------|--------------|------------|-------------|--------|---------|--------------|--------------|--------|--------|---------|---------|------------|-----------|-----------|
| | Market Value | Allocation | Actual | Policy | Month | Market Value | Allocation | Actual | Policy | Month | Market Value | Allocation | Actual | Policy | Quarter | Market Value | Allocation | Actual | Policy | Quarter | Net | Net | 6/30/2004 | 6/30/2004 |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 10,824 | 1.5% | 1.5% | | 4.16% | 10,396 | 1.5% | 1.5% | | -2.22% | 10,275 | 1.5% | 1.5% | | -1.11% | 10,390 | 1.5% | 1.5% | | -10.37% | 6.56% | N/A | N/A | N/A |
| Total Structured Growth | 10,824 | 1.5% | 1.5% | | 4.16% | 10,396 | 1.5% | 1.5% | | -2.22% | 10,275 | 1.5% | 1.5% | | -1.11% | 10,390 | 1.5% | 1.5% | | -10.37% | 6.56% | 17.58% | -6.28% | N/A |
| Russell 1000 Growth | | | | | 4.84% | | | | | -1.90% | | | | | -4.09% | | | | | -9.17% | 2.06% | 17.88% | -3.74% | N/A |
| <i>Structured Value</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| LSV | 10,812 | 1.5% | 1.5% | | 3.83% | 10,422 | 1.5% | 1.5% | | -2.49% | 11,368 | 1.6% | 1.5% | | 1.62% | 11,188 | 1.6% | 1.5% | | 9.01% | 15.77% | 30.56% | 9.33% | N/A |
| Russell 1000 Value | | | | | 2.41% | | | | | -1.79% | | | | | 0.09% | | | | | 10.38% | 12.82% | 21.13% | 2.96% | N/A |
| <i>Russell 1000 Enhanced Index</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| LA Capital | 21,143 | 3.0% | 3.0% | | 2.86% | 20,565 | 3.0% | 3.0% | | -2.50% | 21,688 | 3.1% | 3.0% | | -1.04% | 21,915 | 3.1% | 3.0% | | 9.28% | 6.63% | N/A | N/A | N/A |
| Russell 1000 | | | | | 3.54% | | | | | -1.84% | | | | | -1.91% | | | | | 9.80% | 7.49% | N/A | N/A | N/A |
| <i>S&P 500 Enhanced Index</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Westridge | 21,843 | 3.1% | 3.0% | | 3.21% | 21,176 | 3.1% | 3.0% | | -1.87% | 20,853 | 3.0% | 3.0% | | -2.08% | 21,295 | 3.0% | 3.0% | | 9.47% | 6.39% | N/A | N/A | N/A |
| S&P 500 | | | | | 3.18% | | | | | -1.90% | | | | | -2.15% | | | | | 9.23% | 6.17% | N/A | N/A | N/A |
| <i>Index</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| State Street | 6,565 | | | | 3.19% | 6,362 | | | | -1.89% | 6,268 | | | | -2.14% | 6,406 | | | | 9.23% | 6.17% | 19.01% | -0.75% | N/A |
| Total Index | 6,565 | 0.9% | 1.0% | | 3.19% | 6,362 | 0.9% | 1.0% | | -1.89% | 6,268 | 0.9% | 1.0% | | -2.14% | 6,406 | 0.9% | 1.0% | | 9.23% | 6.17% | 19.01% | -0.75% | N/A |
| S&P 500 | | | | | 3.18% | | | | | -1.90% | | | | | -2.15% | | | | | 9.23% | 6.17% | 19.11% | -0.70% | N/A |
| TOTAL LARGE CAP DOMESTIC EQUITY | 71,187 | 10.2% | 10.0% | | 3.34% | 68,921 | 10.0% | 10.0% | | -2.22% | 70,451 | 10.2% | 10.0% | | -1.04% | 71,193 | 10.2% | 10.0% | | 9.45% | 7.90% | 21.46% | 0.15% | N/A |
| S&P 500 | | | | | 3.18% | | | | | -1.90% | | | | | -2.15% | | | | | 9.23% | 6.17% | 19.11% | -0.70% | N/A |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| SEI | 34,204 | 4.9% | 5.0% | | 6.72% | 32,072 | 4.7% | 5.0% | | -5.52% | 33,943 | 4.9% | 5.0% | | -5.10% | 35,849 | 5.1% | 5.0% | | 14.79% | 5.89% | 32.99% | 5.51% | N/A |
| Russell 2000 + 200bp | | | | | 6.71% | | | | | -5.56% | | | | | -4.86% | | | | | 14.64% | 7.32% | 35.99% | 7.90% | N/A |
| TOTAL SMALL CAP DOMESTIC EQUITY | 34,204 | 4.9% | 5.0% | | 6.72% | 32,072 | 4.7% | 5.0% | | -5.52% | 33,943 | 4.9% | 5.0% | | -5.10% | 35,849 | 5.1% | 5.0% | | 14.79% | 5.89% | 32.99% | 5.54% | N/A |
| Russell 2000 | | | | | 6.55% | | | | | -5.73% | | | | | -5.34% | | | | | 14.09% | 5.38% | 33.36% | 6.24% | N/A |
| CONVERTIBLES | | | | | | | | | | | | | | | | | | | | | | | | |
| TCW | 66,515 | 9.5% | 10.0% | | 2.39% | 65,038 | 9.5% | 10.0% | | -4.02% | 67,843 | 9.8% | 10.0% | | -4.03% | 70,695 | 10.1% | 10.0% | | 8.41% | -2.20% | 17.50% | 1.03% | N/A |
| Merrill Lynch All Convertibles | | | | | 2.57% | | | | | -3.30% | | | | | -4.67% | | | | | 5.37% | -1.42% | 14.16% | 4.89% | N/A |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Large Cap - Active</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Guardian | 27,070 | 3.9% | 4.0% | | 2.58% | 26,343 | 3.8% | 4.0% | | -2.85% | 27,117 | 3.9% | 4.0% | | 0.96% | 28,077 | 4.0% | 4.0% | | 10.01% | 8.74% | 25.36% | -0.39% | N/A |
| LSV | 27,260 | 3.9% | 4.0% | | 1.90% | 26,778 | 3.9% | 4.0% | | -3.05% | 28,088 | 4.1% | 4.0% | | 3.73% | 28,263 | 4.0% | 4.0% | | N/A | N/A | N/A | N/A | N/A |
| Transition Account | 0 | 0.0% | 0.0% | | N/A | 0 | 0.0% | 0.0% | | N/A | 0 | 0.0% | 0.0% | | N/A | (8) | 0.0% | 0.0% | | N/A | N/A | N/A | N/A | N/A |
| Total Large Cap - Active | 54,330 | 7.8% | 8.0% | | 2.24% | 53,121 | 7.7% | 8.0% | | -2.95% | 55,205 | 8.0% | 8.0% | | 2.35% | 56,332 | 8.1% | 8.0% | | 10.59% | 10.33% | 25.36% | -0.39% | N/A |
| MSCI EAFE - 50% Hedged | | | | | 2.10% | | | | | -2.47% | | | | | 1.71% | | | | | 11.11% | 11.72% | 26.98% | -1.27% | N/A |
| <i>Small Cap - Value</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Lazard | 6,765 | 1.0% | 1.0% | | -1.00% | 6,836 | 1.0% | 1.0% | | -3.00% | 6,781 | 1.0% | 1.0% | | 3.09% | 7,920 | 1.1% | 1.0% | | 16.08% | 15.26% | 43.71% | N/A | N/A |
| Citigroup Broad Market Index < \$2BN | | | | | -0.10% | | | | | -2.20% | | | | | 4.58% | | | | | 16.82% | 18.37% | 47.95% | N/A | N/A |
| <i>Small Cap - Growth</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Vanguard | 6,713 | 1.0% | 1.0% | | 0.36% | 6,689 | 1.0% | 1.0% | | -2.02% | 6,571 | 1.0% | 1.0% | | 2.92% | 7,712 | 1.1% | 1.0% | | 18.98% | 20.91% | 44.67% | N/A | N/A |
| Citigroup Broad Market Index < \$2BN | | | | | -0.10% | | | | | -2.20% | | | | | 4.58% | | | | | 16.82% | 18.37% | 47.95% | N/A | N/A |
| TOTAL INTERNATIONAL EQUITY | 67,808 | 9.7% | 10.0% | | 1.70% | 66,646 | 9.7% | 10.0% | | -2.88% | 68,557 | 9.9% | 10.0% | | 2.47% | 71,964 | 10.3% | 10.0% | | 12.56% | 12.41% | 29.26% | 1.04% | N/A |
| MSCI EAFE - 50% Hedged | | | | | 2.10% | | | | | -2.47% | | | | | 1.71% | | | | | 11.11% | 11.72% | 26.98% | -1.27% | N/A |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Western Asset | 154,451 | 22.1% | 20.0% | | 0.97% | 153,084 | 22.3% | 20.0% | | 1.12% | 153,560 | 22.2% | 20.0% | | -0.84% | 146,948 | 21.0% | 20.0% | | 1.34% | 6.22% | 2.42% | 7.77% | N/A |
| Lehman Aggregate | | | | | 1.08% | | | | | 1.35% | | | | | -0.48% | | | | | 0.96% | 3.20% | 0.32% | 6.35% | N/A |
| <i>Index</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 188,632 | 27.0% | 30.0% | | 0.82% | 186,920 | 27.2% | 30.0% | | 1.16% | 181,410 | 26.3% | 30.0% | | -0.78% | 185,283 | 26.5% | 30.0% | | 0.40% | 4.16% | 0.07% | 7.10% | N/A |
| Lehman Intermediate Gov/Credit (1) | | | | | 0.90% | | | | | 1.14% | | | | | -0.87% | | | | | 2.71% | 4.36% | -0.05% | 6.97% | N/A |
| <i>BBB Average Quality</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Wells Capital (formerly Strong) | 81,324 | 11.6% | 10.0% | | 1.65% | 80,329 | 11.7% | 10.0% | | 1.22% | 80,536 | 11.7% | 10.0% | | -1.15% | 82,652 | 11.8% | 10.0% | | 2.30% | 8.75% | 1.18% | N/A | N/A |
| Lehman US Credit BAA | | | | | 1.67% | | | | | 0.94% | | | | | -1.57% | | | | | 1.69% | 7.61% | 1.96% | N/A | N/A |
| TOTAL DOMESTIC FIXED INCOME | 424,407 | 60.7% | 60.0% | | 1.03% | 420,333 | 61.1% | 60.0% | | 1.16% | 415,505 | 60.2% | 60.0% | | -0.83% | 414,884 | 59.4% | 60.0% | | 1.11% | 5.78% | 0.79% | 7.00% | N/A |
| Lehman Gov/Credit | | | | | 1.25% | | | | | 1.50% | | | | | -0.67% | | | | | 0.80% | 3.56% | -0.72% | 6.73% | N/A |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 34,631 | 5.0% | 5.0% | | 0.26% | 34,550 | 5.0% | 5.0% | | 0.25% | 34,464 | 5.0% | 5.0% | | 0.69% | 33,786 | 4.8% | 5.0% | | 0.53% | 2.19% | 1.20% | 1.72% | N/A |
| 90 Day T-Bill | | | | | 0.27% | | | | | 0.22% | | | | | 0.57% | | | | | 0.48% | 1.92% | 0.98% | 1.71% | N/A |
| TOTAL DEFERRED SICK LEAVE FUND | 698,752 | 100.0% | 100.0% | | 1.68% | 687,560 | 100.0% | 100.0% | | -0.47% | 690,764 | 100.0% | 100.0% | | -0.99% | 698,371 | 100.0% | 100.0% | | 4.25% | 5.50% | 8.91% | 5.34% | N/A |
| POLICY TARGET BENCHMARK | | | | | 1.88% | | | | | -0.14% | | | | | -1.15% | | | | | 3.74% | 6.05% | 6.92% | 5.12% | N/A |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.